

[Few have flood insurance to help recover from devastating Midwest storms](#)

ABC News

Many Midwestern homeowners hit by bad flooding this week do not have flood insurance

Rick Satterwhite's house backs up to the Missouri River, but flood insurance hadn't really seemed necessary - until this week, when he had to pump water out of his basement after a round of destructive storms.

It's not the first time he's had to dry out his basement from floodwater, but bad storms are getting more frequent, he said. Satterwhite watched with dread Monday as the river came within 2 feet (61 centimeters) of his backdoor in Dakota City, Nebraska, after torrential rain produced record-setting Midwestern floods, destroying hundreds of properties.

"I talked to our agent today," Satterwhite said. "We're going to get flood insurance now."

Satterwhite is hardly alone. As the Midwest begins to recover, many won't have flood insurance, which must be purchased separately from homeowners insurance. Federal data shows that across the flooded states of Nebraska, South Dakota, Iowa and Minnesota, the government has only issued about 26,500 flood insurance policies combined.

Lack of insurance can burden homeowners with out-of-pocket repair costs and place more need on nonprofits and the government, said Emily Rogan, senior program officer at United Policyholders, an insurance consumers group.

In Iowa, for example, consulting firm Milliman estimates that in 22 of the counties covered by the governor's disaster proclamations, less than 1% of single-family homes have flood insurance from the

government, which issues the vast majority of policies.

Many think flooding won't happen to them and is hardly worth the cost of another bill, according to Tom O'Meara, CEO of Independent Insurance Agents of Iowa. Iowa property insurance rates have skyrocketed in recent years after a series of expensive weather disasters, he said. Avoidance of flood insurance comes as climate change increases flood risk, creating conditions that produce wetter rainstorms.

And this past week's storms also badly flooded smaller rivers that don't frequently overflow, catching people off guard.

"I don't think people have a personal experience with floods like this very often," said Nathan Young, associate director of the Iowa Flood Center.

In 2022, the average annual price of federal flood insurance was \$935. Federally-backed mortgages and many banks require flood insurance in high risk zones identified by the Federal Emergency Management Agency, but those maps don't consider flooding from all sources, like rain. FEMA's recently-updated pricing reflects more factors, and the agency says these prices – not flood maps – are the best indicator of risk.

In Iowa, hundreds are being helped at American Red Cross shelters. Workers ask people about their loved ones and basic needs. Then they help victims assess the damage and what can be done. This is when some people first realize they needed to buy a separate flood insurance policy, said Charles Blake, disaster services senior executive with the American Red Cross. People who do have policies are so thankful, he said.

"It gives you a leg up," Blake said.

Others like Ben Thomas consciously avoid flood insurance and assume risk themselves. For nearly two days, Thomas pumped water out of his basement on the north side of the Little Sioux River in Spencer, Iowa, moving between his house, his parents' riverfront property across the street and other neighbors.

"I don't believe that insurance is the answer to life's problems," he said. "I would say we made a very well informed decision, but in this case, we got burned."

While he doesn't regret his decision not to buy an expensive policy, he acknowledged residents might feel differently on the south side of the river, where some homes are unlivable with water on the main floor.

The National Flood Insurance Program covers up to \$250,000 for a building and offers policies to protect contents worth as much as \$100,000. That's not always enough to replace an entire destroyed house, and even though the private market is small, it provides policies that can fill the gap.

There is some help available for the uninsured. The federal government's disaster declaration for parts of the flooded area allows it to issue grants and low interest loans to help with temporary housing, some home repairs and essentials like cleaning supplies and baby formula.

"We can still help," said John Mills, a FEMA response team spokesperson, but flood insurance provides much more money.

FEMA's new pricing method increased rates for about three quarters of policy holders, but others saw decreases for the first time. Selling more policies is a struggle nationwide; slightly fewer people are buying them this year.

One problem is that FEMA is prohibited from discounting premiums for low-income residents, according to Rob Moore, director of flooding solutions at the Natural Resources Defense Council.

"Only Congress can fix that," he said.

And when rebuilding starts, that's the easiest time to mitigate the risk of the next flood, said Chad Berginnis, executive director of the Association of State Floodplain Managers.

"Instead of rebuilding the same way you did immediately, stop, think about what you can do to protect yourself," Berginnis said. "Nobody wants to elevate their house or do flood proofing projects on a sunny day."